

April 26, 2016

TO: Members of the MAG Economic Development Committee

FROM: Mayor Michael LeVault, Town of Youngtown, Chair

SUBJECT: MEETING NOTIFICATION AND TRANSMITTAL OF TENTATIVE AGENDA
FOR THE MAG ECONOMIC DEVELOPMENT COMMITTEE

Tuesday, May 3, 2016 - 11:30 a.m.
MAG Office, Suite 200 - Saguaro Room
302 North 1st Avenue, Phoenix

A meeting of the MAG Economic Development Committee (EDC) has been scheduled for the time and place noted above. Members of the Committee may attend the meeting either in person or by telephone conference. Use of proxy at the MAG EDC is not permitted. A light lunch will be provided.

Please park in the garage under the building. Bring your ticket to the meeting. Parking will be validated. For those using transit, the Regional Public Transportation Authority will provide transit tickets for your trip. For those using bicycles, please lock your bicycle in the bike rack in the garage.

Pursuant to Title II of the Americans with Disabilities Act (ADA), MAG does not discriminate on the basis of disability in admissions to or participation in its public meetings. Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting Denise McClafferty at the MAG office. Requests should be made as early as possible to allow time to arrange the accommodation.

If you have any questions regarding the EDC agenda items, please contact Dennis Smith, MAG Executive Director, or Denise McClafferty, Regional Program Manager, at (602) 254-6300.

MAG ECONOMIC DEVELOPMENT COMMITTEE
TENTATIVE AGENDA
MAY 3, 2016

COMMITTEE ACTION REQUESTED

1. Call to Order

The meeting of the Economic Development Committee will be called to order.

2. Pledge of Allegiance

3. Call to the Audience

An opportunity will be provided to members of the public to address the Economic Development Committee on items not scheduled on the agenda THAT FALL UNDER THE JURISDICTION OF MAG, or on items on the agenda for discussion but not for action. Members of the public will be requested not to exceed a three-minute time period for their comments. A total of 15 minutes will be provided for the Call to the Audience agenda item, unless the Economic Development Committee requests an exception to this limit. Please note that those wishing to comment on action agenda items will be given an opportunity at the time the item is heard.

4. Approval of the April 5, 2016 Economic Development Committee Meeting Minutes

5. Economic Update and Development of the Sonora, Mexico Region

Sonora's Secretary of the Economy, Jorge Vidal, will be visiting the Greater Phoenix region to follow up on his February trip earlier this year. In an effort to build a stronger partnership between the State of Sonora and local governments in Arizona, Secretary Vidal will provide an update to the EDC on Governor Claudia Pavlovich's recent initiatives in Sonora, including her focus on job creation, global competitiveness and interest in the overall economic vitality of our shared region.

3. Information and discussion.

4. Review and approval of the April 5, 2016 Economic Development Committee meeting minutes.

5. Information and discussion.

6. Report on the Opportunity Arizona Event -
*Identifying a Qualified Workforce through Career
and Technical Education*

On March 3, 2016, the Greater Phoenix Chamber of Commerce and the Maricopa Association of Governments gathered the Valley's leading voices to discuss pathways for the business and education communities to work together to strengthen and grow our economy. The purpose of this event was to bring awareness of the opportunities for high-earning, highly technical career paths that are available to students and employers. In addition, MAG produced a video that highlighted the different Joint Technical Education District programs across the state and the difference these programs are making in students' lives. A representative from the Greater Phoenix Chamber of Commerce will provide a report on this event to the Committee.

7. Invest Peoria AZSMART - Peoria's Strategic
Investment Forum

At last month's Economic Development Committee meeting, the committee discussed how to optimize economic development opportunities related to spring baseball. Several of the cities shared their best practices on activities surrounding spring training season. The City of Peoria shared several unique initiatives they apply to attract business during this season. The City of Peoria's number one goal is economic development. On March 30, 2016, the City of Peoria held an investment forum during spring training season called *Invest PeoriaAZ*. Eighty-one investors and developers attended the *Invest PeoriaAZ Forum*, which was held in the new Colonnade at the Peoria Sports Complex. Participants were given an in-depth overview of city-owned properties, as well as other shovel ready land and building opportunities available within the city. A representative from the City of Peoria will provide an update on the forum and the Invest Peoria AZSMART services.

6. Information and discussion.

7. Information and discussion.

8. Report on Building an International Economic Network Website Market Needs Assessment and Tool Optimization Recommendations from the Thunderbird School of Global Management

In December 2015, MAG contracted with the Thunderbird School of Global Management Organizational Consulting Practicum program. The project was designed to optimize the Building an International Economic Network (BIEN) website. This includes increasing usage by small and medium-sized enterprises (SME) interested in exporting their products and services. The primary target for these exports is Mexico – Arizona's largest trading partner. The project also included potentially developing a marketing plan. The goal of this project is to develop a better understanding of what businesses need and the best way to market the digital business-to-business platform. The Organizational Consulting Practicum program deploys teams of MBA students who deliver project-focused research and consulting services. The Thunderbird team will present their findings and recommendations on this project to the EDC.

9. Update from the Arizona Commerce Authority

An update will be provided on economic development issues of interest in the state of Arizona.

10. Update from the Greater Phoenix Economic Council

An update will be provided on economic development issues of interest in the Greater Phoenix Region.

11. Request for Future Agenda Items

Topics or issues of interest that the Economic Development Committee would like to have considered for discussion at a future meeting will be requested.

8. Information and discussion.

9. Information and discussion.

10. Information and discussion.

11. Information.

12. Comments from the Committee

An opportunity will be provided for the Economic Development Committee (EDC) members to present a brief summary of current events and/or share any practical applications of information and initiatives presented to EDC members. The EDC is not allowed to propose, discuss, deliberate or take action at the meeting on any matter in the summary, unless the specific matter is properly noticed for legal action.

Adjournment

12. Information.

MINUTES OF THE
MARICOPA ASSOCIATION OF GOVERNMENTS
ECONOMIC DEVELOPMENT COMMITTEE

April 5, 2016

MAG Offices, Saguaro Room
302 North 1st Avenue, Phoenix, Arizona

MEMBERS ATTENDING

Mayor Michael LeVault, Youngtown, Chair
Mayor W.J. "Jim" Lane, Scottsdale, Vice Chair
#Mayor Gail Barney, Queen Creek
Steve Betts, GPEC
#Tony Bradley, Arizona Trucking Association
Mayor Cathy Carlat, Peoria
#Dr. Joseph Cavinato, Thunderbird
Angela Creedon, Arizona State University
Superintendent Greg Donovan, West-MEC
Mark Dreher, East Valley Partnership
Councilmember Michael Farrar, Carefree
*Neil Giuliano, Greater Phoenix Leadership
Sintra Hoffman, WESTMARC
Mayor Linda Kavanagh, Fountain Hills
Jim Kenny, El Dorado Holdings, Inc.
Dr. Randy Kimmens, Maricopa Community
Colleges
#Supervisor Kunasek, Maricopa County

Mayor John W. Lewis, Gilbert
Mayor Georgia Lord, Goodyear
*Councilmember David Luna, Mesa
*Mayor Jackie Meck, Buckeye
Mayor Mark Mitchell, Tempe
#Mayor Christian Price, Maricopa
#Jim Rounds, Rounds Consulting Group
Todd Sanders, Greater Phoenix Chamber
of Commerce
Mayor Thomas L. Schoaf, Litchfield Park,
Vice Mayor Jack Sellers, Chandler
*Councilmember Lorenzo Sierra, Avondale
Dan Spitz, Achen-Gardner Construction
*Mayor Greg Stanton, Phoenix
#Sandra Watson, ACA
Mayor Jerry Weiers, Glendale
#Mayor Sharon Wolcott, Surprise

* Not present

Participated by video or telephone conference call

OTHERS PRESENT (from sign-in sheet(s)):

Thomas Adkins, Peoria
Denyse Airnart, Maricopa
Rachel Aja, Goodyear
Eric Anderson, MAG
Anubhav Bagley, MAG
Len Becker, Buckeye
Melissa Bettis, MAG
Alan Carey, GBI
Ginna Carilo, Peoria
Lyndee Cichon, Resident
Natalia Cuneo, MAG

Briana Decker, Peoria
Miranda DeWitt, Mesa
Jami Dennis, MAG
Danny Ives, Avondale
Summer Johnson, Peoria
Alana Langdon, MAG
Brad Lundahl, Scottsdale
Hank Marshall, Phoenix
Emily Mead, GPEC
Jennifer Mellor, Phoenix Chamber
Janice Mrkonjic, CoP

Jessie Pederson, Glendale
Sasha Perez, Phoenix
Ryan Peters, Chandler
Scott Powell, Tempe
Nathan Pryor, MAG
Winston Rafferty, CDEC
Shannon Reed, MAG
Kurt Sharp, Gilbert
Amy St. Peter, MAG

Brenet Stolland, Glendale
Kelly Taft, MAG
Marge Zylla, Tempe

1. Call to Order

The Economic Development Committee (EDC) meeting was called to order by Chair LeVault at 11:42 a.m.

2. Pledge of Allegiance

The Pledge of Allegiance was recited. Mayor Barney, Anthony Bradley, Joseph Cavinato, Andrew Kunasek, Mayor Price, Jim Rounds, Sandra Watson, and Mayor Wolcott joined the meeting by teleconference.

Announcements

Chair LeVault recognized Sintra Hoffman as the new EDC representative for WESTMARC.

Chair LeVault stated that additional information for Agenda item #5 is at your place - "FDI - Possible Next Steps for Cities." He said also at your place is a flyer for an event hosted by the Canada Arizona Business Council and the Ritchie Brothers Auctioneers on the mining and construction industries and if you are interested, RSVP information is on the flyer. Also at your place is a flyer for the 4th Annual Inter-multimodal Development Expo Arizona-Sonora that will take place in Tucson. Chair LeVault let EDC members know that a card was being passed around for Councilmember Luna who recently underwent open heart surgery so that the committee can send him well wishes.

Transit Tickets and Parking Validation/Public Comment Cards

Chair LeVault stated public comment cards were available for those members of the public who wish to comment. He added parking validation was available for the MAG parking facilities for those who parked in the garage.

Public Comment Cards

Chair LeVault advised members of the public desiring to speak during the meeting to fill out a blue card for the Call to the Audience agenda item. He asked that the public limit their comment to items within the jurisdiction of MAG. Chair LeVault said members of the public

can fill out a yellow card for any consent or action items on the agenda. He says the public can turn in cards to MAG staff who will bring them to him and he will call forward speakers later.

3. Call to the Audience

Chair LeVault noted the Call to the Audience provides an opportunity to members of the audience who wish to speak on items not scheduled on the agenda that fall under the jurisdiction of MAG, or on items on the agenda for discussion but not for action. Citizens are requested to not exceed a three minute time period for their comments. A total of 15 minutes is provided for the Call to the Audience agenda item, unless the Economic Development Committee requests an exception to this limit. Those wishing to comment on agenda items posted for action will be provided the opportunity at the time the item is heard. Chair LeVault noted that there were no public comment cards submitted to MAG staff.

4. Approval of the March 1, 2016 Economic Development Committee Meeting Minutes

Chair LeVault asked members of the committee if they had any questions or comments regarding the March 1, 2016, meeting minutes. There were none. Mayor Lane moved to approve the March 1, 2016, Economic Development Committee meeting minutes. Mayor Carlat seconded the motion and the motion carried unanimously.

5. Potential Foreign Direct Investment Action Items for Local Governments

Chair LeVault welcomed Fedelta Partners Managing Member, Carol Colombo, to the meeting. Ms. Colombo referred to the handout, *Next Steps for Cities (Aftercare Focus)*. Ms. Colombo said she was asked speak today to present practical next steps that elected officials may want to take going forward to encourage foreign direct investment (FDI).

Ms. Colombo stated that there are three buckets of FDI - green field investment, financial FDI, (which includes areas like mergers and acquisitions, privatization transactions and public-private partnership (P3) transactions), and aftercare. Ms. Colombo explained that 70 percent of all FDI in the United States comes from aftercare activities. Aftercare refers to steps that can be undertaken to encourage a foreign business already in a town or city to expand their activities. She stated that she wants to focus on aftercare because it is the easiest place for elected officials to start. Ms. Colombo noted that MAG staff would be sending members a link to a primer on aftercare for international investment that was prepared by the Organization for International Investment.

Ms. Colombo said she would review four steps in the handout to consider to encourage FDI. The first is to finalize a city aftercare list which is the International Business List that MAG provided last month. She said the second step is outreach by mayors and their economic development staff to build relationships with companies already operating in their city. Ms. Colombo stated that the third step is EDC focus on high priority aftercare targets. She explained that the fourth step goes off of aftercare and pivots to financials. Ms. Colombo said the fourth step involves identifying possible P3 projects within a city of significant size that

a city wishes to receive elevated attention statewide and become a part of the Arizona Commerce Authority (ACA) pitch list. Ms. Colombo offered her help to members of the committee and said the ACA has also offered to help.

Chair LeVault asked members of the committee if they had any questions or comments and there were none. He stated that members of the committee were all here for the same reason - to make Arizona, and especially the Valley economy, as vibrant as possible. Chair LeVault said that increasing FDI and diversifying our economy is a step in the right direction. He thanked Ms. Colombo for her presentation.

6. Discussion on Enhancing Regionalism Through the Talent and Expertise on the MAG Economic Development Committee

Chair LeVault stated that at the February EDC meeting, the members developed a better understanding of the international stakeholders in Arizona and how the EDC can collaboratively support their efforts. He stated that the EDC comprises many talented and experienced leaders who could serve as a great resource for our local economic development efforts. Chair LeVault said they are, as Malcolm Gladwell defines in his book *The Tipping Point*, the connectors - people who link us up with the world. He said knowing the right people and whom to connect with can be very valuable when working to retain, attract or expand a business in the region. Chair LeVault asked the committee to join in a discussion of how this talent and expertise can be organized to benefit the region.

Chair LeVault explained that as a mayor of a small town in the Northwest Valley, his town is not in the running for a new shopping center, industrial complex or stadium, but that he realizes every good thing that happens in the Valley around his town is good for his residents. He stated that he wants the region to be as successful as possible. Chair LeVault noted that this agenda item came about when he, Councilman Farrar and Councilman Luna met with MAG staff in December. He stated that he wanted to make members of the committee more aware of the different pieces of the puzzle, or the players involved in the different entities, that are working towards the shared goal of improving FDI and import-export business in the Valley. Chair LeVault referenced MAG's Honorary Consul Meeting last Wednesday that brought together many different countries to discuss FDI. He said that to the extent that the committee can utilize its people assets at the table for FDI projects in the different communities in the Valley, it would be a tremendous benefit. Chair LeVault asked MAG Executive Director, Dennis Smith, if he would like to comment.

Mr. Smith agreed with the Chair and added that he attended the American Planning Association meeting last week and had the honor of presenting what the EDC does. The American Planning Association includes major metro areas like Dallas. Mr. Smith said he talked to the association about the concept of Moneyball, how a team from a small community like the Oakland A's, with better data, could beat a team from a larger community like the New York Yankees. Mr. Smith explained that the only way Arizona starts to convince companies to invest in our state is by working as a large team. He said that one topic that always comes up in dealing with companies is workforce. Mr. Smith explained that MAG has done a lot of

data collection about our Valley workforce with the help of Arizona State University (ASU) and the University of Arizona (UofA). MAG has workforce information mapped out and available. He explained that in the EDC group, there are representatives from the Joint Technical Education Districts (JTEDs), Maricopa Community Colleges, ASU and Thunderbird School of Global Management (Thunderbird). Mr. Smith stated that if people were willing to be put into a resource directory, the EDC could create a larger team. He stated that we also have members from the Greater Phoenix Chamber of Commerce (Chamber), ACA, Greater Phoenix Economic Council (GPEC), and Greater Phoenix Leadership (GPL) on the EDC, and that we need to compile a list that committee members could utilize.

Mr. Smith stated that it would be worth the effort of the EDC to think about putting together a directory of our non-elected committee members so there is a team to pull from when trying to attract economic development (ED), instead of going at it solo. He said that we need to make it easier for our elected officials to pick up the phone and call our non-elected committee members to use as resources.

Mayor Mitchell expressed his desire for the EDC to work in concert with our partnership ED groups including GPEC, ACA, East Valley Partnership, WESTMARC and others so that the committee is not duplicating efforts. He stated that he knows what is good for Glendale is good for Tempe and vice versa. Mayor Mitchell said he believes that although Arizona has some perception issues, that once people actually visit, they have an eye-opening experience to the beauty and attraction of our state and Maricopa County.

Mr. Smith referred back to the Honorary Consul Meeting and that the consulates brought up many times that Arizona has a branding issue in other countries. He stated that consul members that live here refute any negativity because they believe Arizona is a great place to be.

Mayor Schoaf agreed with Mr. Smith. He stated that he did business in the U.S. for many years and that he dealt with a lack of interest in local officials in dealing with businesses to provide resources that were available in a community. Mayor Schoaf noted his experience in the U.S. was very different from his experience in Mexico, where there is a team approach to economic development. He stated that Mexico has a team that includes representatives from government and education and they come ready with information about a company and what kind of workers it will need. This team presents how they can fill workforce needs. They can take a company's training program and adapt those training programs into what they have currently, so that when a person graduates from their program, they are ready to fit right into a company's system. Mayor Schoaf stated that the U.S. does not do this for businesses looking to move here or for existing companies. He noted that there are thousands of companies in our communities that could use some services from our community colleges. Mayor Schoaf encouraged the committee members to figure out a way to create partnerships between the support entities we have in the Valley to assist economic development efforts related to the workforce. Chair LeVault thanked Mayor Schoaf for his contribution to the discussion.

Ms. Hoffman stated that she wanted to share the progress of the Workforce Development

Study that WESTMARC has been working on with MAG. She explained that she is working on the study with GPEC to connect with site selectors to gain insight on the selection decisions and what can be done in the West Valley to better prepare for future companies to encourage them to relocate to our area. Ms. Hoffman stated that the other focus of the study is on finding out what programs our educational institutions are offering and getting them to match up with the area workforce development needs. She stated that the study will conclude in the late summer or early fall and she will give the EDC committee an update at that time.

Ms. Hoffman reported that WESTMARC is also working on a database tool called West Valley Pro with MAG and GPEC. She stated that the database will serve as a location for site selectors and potential companies to get information about the West Valley. Chair LeVault thanked Ms. Hoffman for her input.

Mayor Lane stated that he would like to emphasize what he heard from Mayor Mitchell regarding all ED players working in concert with each other for maximum benefit. He stated that he appreciates the input from Mayor Schoaf and his experience in meeting with an economic development team in Mexico. Mayor Lane stated that for years his experience has been that our ED teams and elected officials have worked in a disjointed manner and possibly in competition with one another. Mayor Lane noted that our ED teams and elected officials need to work together so that there is not a duplication of efforts and wasted resources.

Chair LeVault asked if Mr. Smith wanted to add to the discussion. Mr. Smith noted that the members had legitimate concerns and that the EDC needs a connected and coordinated effort with GPEC and the ACA. Mr. Smith stated that businesses can get information from the experts at GPEC and the ACA but there is an even broader network when the EDC comes together as a team. Mr. Smith stated that MAG would sit down with GPEC and ACA and then the EDC to vet any blueprint for cooperation that we come up with. He stated that he wants to “move the needle” on the economy. Mr. Smith explained the core mission of MAG is transportation and that 51 percent of the freeway money comes from sales tax, so growing the sales tax is vital to the mission MAG has, and like the cities, MAG has a vested interest in growing the economy.

Director of the Center for Workforce at Maricopa Community Colleges, Randy Kimmens, stated that his organization has several partnerships and pathways to ASU and that the two education organizations have one of the largest partnerships with a university and a community college in the country. Mr. Kimmens stated that his organization wants to do more to provide ED officials with specific data on career pathways, what type of incomes students are making, who they are working for, how many people are in the pipeline and so forth. He stated that he believes that the more the Valley’s educational institutions collaborate with each other, ED organizations and elected officials, the better off the economy will be. Mr. Kimmens stated the partnerships are there, but that the ED community needs to leverage them more. He stated that without the JTEDS, GPEC and others, the collaboration would not be where it is today. It really is a team effort.

Chair of the East Valley Partnership, Mark Dreher, stated that in addition to being with East

Valley Partnership, he is a managing partner of a CPA firm with about 42 employees and that there is a major push to attract business with international firms and that is a growing part of his business. Mr. Dreher shared some of his business experiences with the committee dealing with inbound and outbound business in Arizona. He stated that FDI is more complicated because of the entity structures that are needed. Mr. Dreher encouraged cities to reach out to professionals already doing FDI work for assistance.

Chandler Vice Mayor Jack Sellers stated that five years ago he visited with two cities in Texas known for doing a lot of great economic development. He relayed that the Texas governor's office had the cities work as a team and he believes that the ACA 2.0 is an attempt by the Arizona governor's office to start to bring people together. Vice Mayor Sellers stated that he appreciates the work of the committee, and for an economic development team effort to work, the committee needs updates on what the lead teams are doing so that the EDC has a consistent path. He stated that he appreciates what Ms. Colombo had to say about FDI, and he accepts the call to action. Vice Mayor Sellers said that businesses are first sold on Arizona, then on Greater Phoenix, then the best city or town for the skill set the company is looking for. He said that he accepts the assignment to pick up his ED efforts a couple of notches.

Mr. Smith suggested to Chair LeVault that MAG work out an outline and get it out for comment to the committee members. He stated that MAG would sit down with the GPEC and the ACA before releasing the outline to make sure everyone is on the same page.

Chair LeVault stated that in the last five years, the EDC has continued to grow and expand its focus. He stated that he finds all of the resources and assets in the state to be amazing. Chair LeVault said that with everyone working together the possibilities would be endless.

Arizona State University Assistant Vice President of Public Affairs, Angela Creedon, stated that a call to action was long overdue and that she is excited to be one of the connection points that the committee can offer. She stated that ASU has built up a level of trust within the Valley's educational institutions and taken the partnership with the community colleges to a level that is unprecedented in the country. Ms. Creedon stated she would like to see that collaboration in other areas of economic development. She added that the GPEC has done tremendous work on business retention and that the committee needs to assist in that effort.

President and CEO of the GPEC, Todd Sanders, provided an update on a recent ED trip to Texas. Sanders stated that a group from the Valley, including EDC members Mayor Stanton and Ms. Creedon, visited Houston Medical Center where 56 competing entities are now working together and collaborating. He stated that he agreed with Mayor Mitchell that an inventory of what our different ED organizations are doing would be helpful. Mr. Sanders reported that GPEC is working with United Way on pipeline issues for Arizona Public Service and Salt River Project to help fill lineman positions for employees that were aging out of the workforce. Mr. Sanders says GPEC identified a program with the Phoenix Union and within six months, there was a pipeline of Title One kids getting great jobs and breaking the cycle of poverty, and creating more revenue for the state.

Mr. Sanders shared that the Greater Phoenix Chamber would like to regionalize the approach to business retention and expansion efforts. He stated that he has encountered resistance when talking to economic development professionals in the Valley. Mr. Sanders said that Ohio has 156 communities working together towards economic development. He stated that 80 percent of new jobs are with businesses already existing in the community. Mr. Sanders stated that we should be taking data and pulling it together. He said that by taking a data analytics perspective, all of sudden it creates jobs. Mr. Sanders stated that if we can move forward on a more collaborative model that had the right protocols in place, that would be very beneficial. This would put the Valley in line with communities already taking this approach.

Mayor Mitchell noted that the one component missing in the economic development approach is working with the CEOs. He stated that he believes ED professionals should share their experiences and insight on the market needs of the Valley with potential businesses looking to expand to our region or help attract new companies to the region.

Mr. Sanders noted how important it is to engage with CEOs and site selectors early in the relocation process. He recalled that in one recent case, a company ended up moving 125 jobs to the east coast because they could not find the right employees for the job in the Valley. Mr. Sanders stated that he believes the Valley has the right people, but that it needs to do a better job at connecting companies and the workforce.

Ms. Colombo stated that she was excited about the great discussion at today's meeting. She said that best practice calls for leadership to engage in a coordinated strategy put forward. Ms. Colombo stated that she believes that the next step would be to find out what resources are available and she called for the organizations to come together in one place. Ms. Colombo also stated that mayors and their economic development staff meeting with CEOs is a small first step to gather information and build relationships.

Vice Mayor Sellers stated that we need to look at ways to better engage our Sister Cities in our economic development efforts. He stated that he believes it is very important to build relationships when dealing with international business and that the Sister City groups can help a lot with that aspect.

Councilman Farrar stated that he believes that the committee needs to put together a best practice model and to look at states that are already successful at economic development. He said he believes ED leadership needs to come from the governor's office. Councilman Farrar said that during a GPEC site selectors meeting, he learned that some believe Arizona is getting the branding wrong. He stated that in Arizona we highlight retirement, sunshine and the Cactus League, but that Arizona is much bigger and broader with the resources and talent of the universities and the amazing workforce. That is the message that needs to go out to potential businesses. Councilman Farrar stated that in addition to CEOs, there should be a focus on the site selectors that decide where a company will locate. He commented that the Valley needs to work together to achieve the goal of attracting more businesses.

Mayor Kavanagh noted that Fountain Hills has a great relationship with the Fort McDowell

and Salt River Indian communities. She stated that there is tremendous economic activity happening at the Salt River reservation and that she would like to see more outreach by the EDC to them. Mayor Kavanagh says she has had a great relationship with the new president of Salt River and would like to see them at the table.

Mayor Lane stated that the committee needs to find a way to work on the issues that unite all of the members universally. He noted that one of the strengths of MAG is transportation, which is linked to economic development issues. Mayor Lane stated that transportation is an additional element that we can bring to the table as an overall group.

Chair LeVault commended Mr. Smith for adding this agenda item to the EDC discussion. He stated that he believes he has heard consensus around the table for MAG to sketch out a blueprint that leads the committee to collaborate with each other and different organizations. Chair LeVault noted that there is nothing wrong with taking what another state has done and using it as a model for the Valley.

Thunderbird School of Management Professor, Dr. Joseph Cavinato, commented that this has been a great discussion and that people in the Valley are now connecting the dots. Mr. Smith stated that we need to be willing to take chances to move the needle in Arizona and that includes taking ideas from other places and using them to our benefit.

7. How to Optimize the Economic Development Opportunities Related to Spring Baseball

Mr. Smith stated that MAG has been working on this agenda item for more than a year. He stated that he was surprised when looking into economic development opportunities related to baseball both by what has happened and what could happen. Mr. Smith shared 10 questions with the EDC to think about while MAG Senior Information Services Project Manager, Jami Dennis, gives her presentation. Those questions are: What are the economic development strategies presently used by cities? What is being done by state or regional development agencies? What is the marketing budget back to home markets to encourage attendance? What are the lessons learned from Super Bowl activities to encourage economic development? Is there a greater role for regional and state efforts to optimize economic development related to spring baseball? What kinds of corporate wealth visit the Valley each year and from what sectors? How do our top economic development sectors match the sectors from the spring baseball regions? Does the state or region do enough to welcome spring baseball regions and do we thank the teams for their economic contribution to our economy? What could be some new strategies to encourage additional attendance to spring baseball? Have we optimized sports medicine and training related to spring baseball?

Mr. Smith introduced Jami Dennis to give a presentation of a top level scan of spring baseball in the Valley. Ms. Dennis stated that spring baseball matters to our region - it is a driving force in Arizona's economy. She explained that many cities work to promote their community, build relationships with existing businesses, and increase economic development opportunities during spring training. Ms. Dennis asked if there are ways we can do more as a region to leverage the potential of spring training. She said that MAG has taken a high-level look at

regional data to see how it can strategically leverage tourism from spring training baseball along with economic development for the region.

Ms. Dennis stated that spring baseball matters to the Phoenix metro area. She added that fifteen of the 30 Major League Baseball (MLB) teams have their spring training in the Phoenix metro area, and every March, the region is host to these Cactus League teams and their fans. Ms. Dennis shared that Florida's Grapefruit League hosts the other 15 MLB teams, however, their ball parks are stretched across at least half the state of Florida, or an area about 3.5 times the size of Maricopa County. She noted that in our state, Cactus League teams are concentrated in just one region and the longest time fans have to spend traveling from one ballpark to another is about an hour.

Ms. Dennis said that during the regular baseball season, these teams are spread out in eight different states, nine if we include Arizona, and 13 metro areas, including Phoenix. She stated that according to studies conducted last year (2015), it was estimated that the spring training teams, and the ballparks they play in, provided an annual economic impact to the state of \$809 million. Ms. Dennis stated of that \$809 million, it is estimated that \$544 million, over 67 percent, comes from out of state fans attending games at the ten Phoenix area Cactus League ballparks. She noted that the \$265 million difference is from year round activities related to spring training stadium events.

Ms. Dennis stated that MLB fans travel to Arizona from around the U.S., and often from around the world, to attend games and enjoy the warm spring weather. She noted that this provides an opportunity for Arizona to access a large market. Ms. Dennis explained that MAG realized that fans of one team can be located throughout the U.S., but generally residents and businesses in a particular region tend to be fans of and support their local sports teams. She stated to that end, MAG started with a broad look into the states and metro areas that each of our Cactus League teams calls "home" during the regular season. Ms. Dennis noted that the idea is to get a look at the potential economic activity, population, and job base that may be available to the Valley for targeting not only tourism but also economic development in our region.

Ms. Dennis stated that the Gross Domestic Product (GDP) gives us a broad measure of the economic activity for each region and that putting a monetary value on all goods and services produced within a region gives us an idea of the economic activity potentially available to us. She stated that all together, the economic value of Cactus League home regions is \$3.8 trillion. Ms. Dennis reported that in terms of GDP growth, many of the home regions are among the fastest growing in the country. She stated that of 381 metro areas in the U.S., Dallas ranked 5th, San Jose 9th, Denver 23rd, and San Francisco 25th in GDP growth from 2013 to 2014. Ms. Dennis explained that through our Cactus League teams, we have a direct link to these vibrant economies and employment base.

Ms. Dennis stated that as one might expect, employment, or jobs, has a pattern similar to population. She noted that there are an estimated total of 27 million jobs in the team home regions, including the approximately 2 million in the Phoenix metro area. Ms. Dennis stated

that we have a connection to \$3.8 trillion in economic activity, 58 million people, and regions with 27 million jobs. She explained that to take advantage of this potential, we need to take a look at what type of businesses match up with our key industry sectors as identified by GPEC and ACA, such as health care, biomedical services, advanced business services, manufacturing, and high tech industries.

Ms. Dennis stated that MAG took a high-level look at the jobs by industry for the team home regions. She explained that while our target sector industries are subsectors of these high-level classifications, we can still see that there are a lot of jobs in health care, high-tech industries, advanced business services, and finance. Ms. Dennis noted that there is potential alignment in our key target industries. She explained that having looked at the high-level industry breakdown, MAG then took it another step and found out where the headquarters of Fortune 1,000 companies were located. Ms. Dennis stated that MAG found that there are 307 Fortune 1,000 companies headquartered within home team regions, with just 16 of those here in the Phoenix metro area. She elaborated that Fortune 1,000 companies come from 21 different industries.

Ms. Dennis stated that MAG also took a look at county assessor data to find properties in the Valley where the owner of record is located in one of the other 8 Cactus League home team states. She noted that there are over 93,000 residential properties in Maricopa county that are owned by people living in the Cactus League home states, and that they have a combined assessed value of \$18.6 billion. Ms. Dennis stated that these properties may be second homes or investment properties – such as apartments or mobile homes.

Ms. Dennis stated that almost 3,600 homes valued at \$500k or more are owned by people from Cactus League home states, and of those homes, 1,000 of them are valued at over a million dollars. She noted that residential property is not the only type of property owned by people from Cactus League home states, with many of those people owning commercial and industrial properties as well as vacant land. Ms. Dennis explained that the potential is there and the question we need to ask ourselves is can we strategically leverage this information to grow our economy.

Ms. Dennis stated that every year Cactus League activities provide a larger impact than the 2015 Super Bowl. She noted that the Super Bowl has been hosted by 15 different regions, and only 3 times in Phoenix. She stated that cities bid and compete to host the Super Bowl, so there is no guarantee when the next one will be in our region. The Cactus League spring training is every year.

Mr. Smith explained that MAG Regional Program Director, Denise McClafferty, spoke with the mayors earlier to get the discussion started and found that some mayors were very active in economic activity surrounding spring baseball. Mr. Smith stated that he had discussions with GPEC and GPL to find out if there has ever been an idea for an annual signature event during the season with the CEOs. Mr. Smith added that he also had a brainstorm session about using the baseball saber metrics group, the Society for American Baseball, who are conveniently located across the street from MAG at the Walter Cronkite school, as an

attraction. He stated that they hold a conference during the spring training season. Mr. Smith also suggested a sports medicine conference during the season. He explained that with the major league teams and olympic training, there is an economic development opportunity. Ms. McClafferty, noted that she spoke to the ACA and GPEC who also host events around spring training, which are different from what the cities are doing.

Mayor Lane stated that he was intrigued by the questions posed by Mr. Smith. He said that Scottsdale hosts a fan appreciation day in San Francisco and that his city runs an advertising campaign in San Francisco, including purchasing ad space at that city's stadium. Mayor Lane stated that there is a lot of participation in fan appreciation day and that he believes a consequence of that is that 3,400 of the spring training season tickets are held by San Francisco residents. He noted that the Scottsdale stadium holds almost 12,000 fans, which is at capacity during most games. Mayor Lane shared some of what Scottsdale does to connect with businesses at spring training, including inviting CEOs or top management to games each year. He stated that Scottsdale has focused on some of the bay area's technology companies and encouraged them to invite other business owners from San Francisco. Mayor Lane noted that he hosts a casual dinner for owners and players with some of his city's staff members and council to build relationships, as well as a more business-like dinner with CEOs. He stated that these relationships have paid his city dividends on game attendance and caliber of business prospects.

Mayor Mitchell stated that he believes tourism is a missing component in the economic development discussion. He explained that his experience in hosting business leaders is that they are surprised at how beautiful Arizona is and how much it has to offer. Mayor Mitchell noted that cuts made by the legislature to the state's tourism program have hurt the state. He noted that the Valley has a fabulous convention center connected to light rail and we should capitalize on this during the spring training season. Mayor Mitchell stated that we should encourage hosting conferences here and use spring baseball as an outing event for conference attendees. He stated that the Valley would get a great economic return by showcasing our state in a positive light and help close any gap we may have with branding.

Chair LeVault stated that Arizona's issue with branding was also discussed at the recent Honorary Consul meeting. He lamented that we are failing to capitalize on the group of tourists that can help repair our brand.

Mayor Carlat gave the committee an update on what Peoria does to attract business surrounding spring baseball. She stated that Peoria's stadium is located in the middle of an entertainment district, dubbed P83, where people can go to watch baseball, eat and walk around. Mayor Carlat stated that she has worked with private investment to upgrade the stadium and the district, and has been working to brand them together so its good for business in the area. She noted that the investment has paid Peoria back in dividends. Mayor Carlat stated that she held a morning investment forum in conjunction with GPEC and the ACA with site selectors and developers at the stadium on the last day of spring training that included a group of international investors from Mexico, China and Canada and investors from Nevada, Illinois, Texas and California. She noted that after the forum, the group was able to attend an

afternoon game. Mayor Carlat said that additionally, she hosts a dinner on the diamond with the Peoria business community and the owners and managers of the two Peoria baseball teams the night before spring training begins to kick off the season.

Chair LeVault asked if the committee had any other comments. Mayor Wolcott shared that she appreciated the comments from the committee and said Surprise has had tremendous success with spring training. She stated that Surprise hosted champion baseball teams in four of the last six years. Mayor Wolcott referenced Mayor Mitchell's comment about tourism and how easy it is for baseball attendees to go from game to game, in terms of distance. She noted that Surprise lacks the light rail and bus service that is available in the East Valley and that poses a challenge. Mayor Wolcott stated that a lack of available hotel rooms is also an issue in her town, just as it was in Glendale when that city hosted the Super Bowl. She noted that the Valley needs to look at the big picture and work together to make the spring training economic opportunity even more profitable and proficient.

Mayor Lord stated that Goodyear has a relatively new stadium with not a lot of development on the land surrounding it. She said that Goodyear is working with a company that owns the land and reported that there will be a hotel opening next year so that visitors will be able to stay at a complex overlooking the stadium. Mayor Lord noted that she works hard to get people to the games each year and that each year attendance has improved. She explained that throughout the year, Goodyear economic development teams work with site selectors and the stadium is used almost year round to host large events. Mayor Lord reported that she travels to Ohio each year and personally greets people from the host cities. She noted that Goodyear raffles away a spring training family vacation package with air, hotel, car and baseball tickets included. She stated that its been a process of transition for the teams Goodyear hosts, which previously played in Florida. Mayor Lord stated that she holds a Canadian Day at the ballpark to thank Goodyear's Canadian residents that have invested in Goodyear, especially during the economic downturn. She said that progress takes time, but it would be helpful if everyone worked together to promote Arizona tourism. Chair LeVault thanked the mayor for her comments.

Consul Hank Marshall, from the City of Phoenix requested to address the committee. He encouraged the committee to think on a bigger scale. He stated that the U.S. baseball fan base is stagnant at about 100 million, which represents about 48 percent of the population over the age of 18, whereas there is a worldwide fan base of 500 million, including people from Mexico, Japan, Taiwan, and South Korea. Mr. Marshall said this year, the Valley had baseball teams from Korea and Japan attending games in Peoria. He stated that those teams had a great time and are willing to go back home and bring 8-10 more teams back here next year. Mr. Marshall stated that he believes the international market is bigger than trying to get just the domestic market here, which is only 20 percent of the global fan base. He stated that he believes it is shortsighted to play only into the domestic fan base.

Mr. Smith suggested Mr. Marshall discuss the sports medicine companies in the Valley. Mr. Marshall shared that EXOS and the CORE Institute specialize in sports medicine and recovery and rehabilitation work. He stated that these companies work with a large number of

successful professional soccer and football athletes and that there are a lot of economic development opportunities as a result. To that point, Mayor Carlat stated that the Peoria stadium is changing over its field to host the United Soccer League, which starts play and continues through the summer. She shared that a group of investors from Mexico were in Peoria yesterday to discuss economic opportunities related to soccer.

Chair LeVault thanked Ms. Dennis for her presentation and everyone for the discussion.

8. Report on the Opportunity Arizona Event - *Identifying a Qualified Workforce through Career and Technical Education*

This agenda item was tabled until the next meeting.

9. Update from the Arizona Commerce Authority

ACA Senior Vice President, Kevin Sullivan, reported that the ACA was working on a comprehensive foreign direct investment plan that would be released shortly. Mr. Sullivan stated that the Fifth American Competitiveness Exchange Event would be held this month with the U.S. State Department, Department of Commerce and the Organization of American states. He reported that the event will host leaders from 24 countries around the world to highlight Arizona, California and the mega region. Mr. Sullivan stated that the event will give the ACA six days to highlight Arizona. He announced that there would be a networking event April 11, 2016 and he welcomed and encouraged committee attendance.

10. Update from the Greater Phoenix Economic Council

Greater Phoenix Economic Council (GPEC) Board Member Steve Betts, stated that the first quarter has been a very active time for business in the Valley, particularly for the manufacturing, technology, finance and healthcare industries. He reported that GPEC assisted in the relocation and expansion of 31 companies, creating 5,500 jobs. Mr. Betts announced that there will be a second Demo Day April 28, 2016 in the Southeast Valley on semiconductors and the micro electronics cluster in Greater Phoenix.

Mr. Betts stated that his takeaway from the Cactus League presentation is that we can identify and go after some of the businesses in the host cities. He reported that he will talk to GPEC and see what can be done to put together some mini CEO and business attraction events. Mr. Betts thanked MAG for the presentation.

Mr. Smith noted that we need one additional step of coordination, bringing together the ACA, GPEC, GPL, and Greater Phoenix Chamber to host a dinner with the governor to talk about how great Arizona is and to help remove some branding issues that currently exist. Mr. Smith stated that the cities are doing a great job of marketing themselves during spring training. Mr. Smith said he believes additional coordination is needed for economic development surrounding spring baseball, which has brought billions of dollars into the Valley's economy. Chair LeVault suggested that MAG make that suggestion a part of a blueprint that will be

developed.

11. Request for Future Agenda Items

Chair LeVault asked if there were any requests for future agenda items and there were none.

12. Comments from the Committee

Chair LeVault asked if there were any comments from the committee. There were none.

Adjournment

There being no further business, the Economic Development Committee meeting was adjourned at 1:11 p.m. The next meeting of the EDC will be on Tuesday, May 3, 2016, at 11:30 a.m. at the MAG Office, 302 N. First Avenue, Phoenix, Second Floor, Saguaro Room.

Chair

Secretary